



MINNESOTA
GROCERS
ASSOCIATION

December 16, 1997

Ms. Cynthia Johnson
Director, Cash Management Policy and Planning Division
Financial Management Services
U.S. Department of Treasury
401 14th Street, SW - Room 420
Washington, D.C. 20227

Dear Ms. Johnson:

On behalf of the Minnesota Grocers Association (MGA), which represents over 1500 small and large retail grocery stores, convenience stores and wholesalers, we wish to thank you for the opportunity to comment on the Department of Treasury's Proposed Rule 62 Fed. Reg. 48714 (September 16, 1997) on the management of federal agency disbursements and the conversion of these disbursements from paper based payment methods to electronic funds transfer ("EFT"). Our comments will be brief.

- **Any access card should be on-line debit, not off-line debit.**

Our members cannot bear the burden of absorbing continuing, increased transaction fees associated with the delivery of government programs. Here in Minnesota, our members are currently absorbing transaction fees related to the electronic transfer of food stamp benefits. The costs associated with this benefit are staggering. Every effort must be made to limit these transaction fees related to the delivery of federal benefits in the future. An off-line debit card requires our members to pay credit interchange for risk-free transactions and would not stem the tide of increased fees. An on-line debit card is the most secure transaction form for the recipient and the least costly for the merchant making the transaction. This option makes the most sense. An off-line debit card does not.

MGA appreciates the opportunity to comment on these proposed rules and looks forward to a favorable resolution to these issues.

Sincerely,

Lee Anderson
Government Affairs Specialist

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